NEWAPPLICATION

EARLY, LENNON, CROCKER & BARTOSIEWI

ORIGINAL

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DAVID G. CROCKER

GORDON C. MILLER

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> AZ CORP COMMISSION DOCKET CONTROL

OF COUNSEL

JOHN T. PETERS, JR. HAROLD E. FISCHER, JR.

VINCENT T. EARLY (1922-2001) JOSEPH J. BURGIE (1926-1992)LAWRENCE M. BRENTON (1950-2007)

March 21, 2008

Brian McNeil, Executive Secretary **Arizona Corporation Commission Telecommunications Division** 1200 West Washington Phoenix, AZ 85007

MICHAEL D. O'CONNOR PATRICK D. CROCKER

GARY P. BARTOSIEWICZ TYREN R. CUDNEY

ROBERT M. TAYLOR

ANDREW J. VORBRICH

MATTHEW C. JUSTICE

RON W. KIMBREL

RE:

PEERLESS NETWORK OF ARIZONA, LLC

Dear Mr. McNeil:

T-20590A-08-0175

Enclosed for filing with the Commission, please find an original and thirteen (13) copies of the above captioned corporation's APPLICATION AND PETITION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATION SERVICES within the State of Arizona.

In addition, enclosed is a duplicate copy of this letter. Please date-stamp the duplicate and return it to me in the enclosed postage-paid envelope.

Should you have any questions concerning this filing, please contact me.

truly yours, Ver∕i

NNÓN, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D Crocker

PDe/pas

Arizona Corporation Commission DOCKETED

MAR 25 2008

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ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide **Intrastate Telecommunication Services**

Mail original plus 13 copies of completed application to:

For Docket Control Only: (Please Stamp Here)

Docket Control Center Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending in

		change reseller, AOS provider, telecommunication services.	or as	
Type of	Service:	·		
Docket	No.:	Date: _		Date Docketed:
Type of	Service:			
Docket	No.:	Date: _		Date Docketed:
		A. Company and Telecomm	unications Servic	e Information
(A-1)	Please indicate the type of telecommunications services that you want to provide in Arizona an answer the appropriate numbered items:			you want to provide in Arizona and
	⊠ Resold L	ong Distance Telecommunicat	ions Services (Ans	swer Sections A, B, C).
	⊠ Resold Le	ocal Exchange Telecommunica	ations Services (Ai	nswer Sections A, B, C).
	□ Facilities	-Based Long Distance Telecon	nmunications Serv	ices (Answer Sections A, B, D).
		-Based Local Exchange Teleco	mmunications Ser	vices (Answer Sections A, B, D, E).
	Alternativ	re Service Provider Telecommu	unications Services	s (Answer Sections A, B).
	Other	(Please attach co	mplete description	n)
(A-2)	The name, address, telephone number (including area code), facsimile number (including area code), email address, and World Wide Web address (if one is available for consumer access) of the Applicant:			
	225 W. Was Chicago, IL Telephone:	etwork of Arizona, LLC shington Street, Ste 1285 60606 (312) 506-0920 (312) 506-0931	Toll Free Nu	umber: 888-380-2721
(A-3)	If d/b/a ("Do that listed in		pplicant is doing b	usiness under a name different from
(A-4)		address, telephone number (ir email address of the Applicant'		e), facsimile number (including area ntact:
	Peerless Ne 225 W. Was Chicago, IL	lazis, Director Regulatory Affair etwork of Arizona, LLC shington Ave, Suite. 1285 60606 (312) 506-0933 (312) 506-0931 dmeldazis@peerlessnetwork.		

(A-5)	The name, address, telephone number (including area code), facsimile number (including area code), and email address of the Applicant's Attorney and/or Consultant				
	Pa EA 90 Ka Te	Patrick D. Crocker EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C. 900 Comerica Building Kalamazoo, MI 49007 Telephone: (269) 381-8844 Facsimile: (269) 381-8822			
	Er	nail: pcrocker@earlylennon.com		 	
(A-6)	СО	e name, address, telephone nu de), and email address of the Ap piol Moldazis			
	Daniel Meldazis Peerless Network of Arizona, LLC 225 W. Washington Street, Ste. 1285 Chicago, IL 60606 Telephone: (312) 506-0920 Facsimile: (312) 506-0931 Toll Free: (888) 380-2721 E-mail: Regulatory@peerlessnetwork.com				
(A-7)	W	nat type of legal entity is the app	licant?		
		Sole proprietorship			
		Partnership: ☐ limited	☐ general	☐ Arizona	☐ Foreign
		Limited liability company Corporation:	□ Arizona □ "S"	⊠ Foreign □ "C"	☐ non-profit
		Other, specify:			
(A-8)	Ple	ease include "Attachment A."			
	Att	achment A <u>must</u> include the follo	owing information	on:	
	1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.			mestic or foreign corporation,	
	 A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify). 				
	3. Indicate percentages of ownership of each person listed in A-8.2.				
(A-9)	Include your Tariff as "Attachment B."				
	Yo	ur Tariff <u>must</u> include the followi	ng information:		
	 Proposed Rates and Charges for each service offered (reference by Tariff page number). Tariff Page(s) No.: 				
	 Tariff Maximum Rate and prices to be charged (reference by Tariff page number). Tariff Page(s) No.: 				
	3. Terms and Conditions Applicable to provision of service (reference by Tariff page number). Tariff Page(s) No.:				ence by Tariff page number).
	4.	Deposits, Advances, and/or Pro Tariff page number). Tariff Page(s) No.:	epayments App	licable to provision	on of service (reference by
	5.	The proposed fee that will be conumber). Tariff Page(s) No.:	harged for retur	ned checks (refe	erence by Tariff page

(A-10)	Indicate the geographic market to be served:		
	Statewide (Applicant adopts statewide map of Arizona provided with this application).		
		Other. Describe and provide a detailed map depicting the area.	
(A-11)	Indicate if the Applicant or any of its officers, directors, partners, or managers has been or is currently involved in any formal or informal complaint proceedings pending before any State or Federal Regulatory Commission, administrative agency, or law enforcement agency.		
	Des	scribe in detail any such involvement. Please make sure you provide the following information:	
	1.	States in which the Applicant has been or is involved in proceedings.	
	2.	Detailed explanations of the Substance of the Complaints.	
	3.	Commission Orders that resolved any and all Complaints.	
	4.	Actions taken by the Applicant to remedy and/or prevent the Complaints from reoccurring.	
	invo	ther Applicant nor any of its officers, directors, partners, or managers has been or is currently blved in any formal or informal complaint proceedings pending before any State or Federal gulatory Commission, administrative agency, or law enforcement agency.	
(A-12)) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or is currently involved in any civil or criminal investigations, or had judgment entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.		
	Describe in detail any such judgments or convictions. Please make sure you provide the following information:		
	States involved in the judgments and/or convictions.		
	2.	Reasons for the investigation and/or judgment.	
	3.	Copy of the Court order, if applicable.	
	Neither the Applicant nor any of its officers, directors, partners, or managers has been or is currently involved in any civil or criminal investigations, or had judgment entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years		
(A-13)		icate if the Applicant's customers will be able to access alternative toll service providers or ellers via 1+101XXXX access.	
	\boxtimes	Yes No	

(A-14)	Is Applicant willing to post a Performance Bond? Please check appropriate box(es).		
\boxtimes	For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.		
	☐ Yes ☒ No		
	If "No," continue to question (A-15).		
\boxtimes	For Local Exchange Resellers, a \$25,000 bond will be recommended.		
	☐ Yes ⊠ No		
	If "No," continue to question (A-15).		
\boxtimes	For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.		
	☐ Yes		
	If "No," continue to question (A-15).		
\boxtimes	For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.		
	☐ Yes No		
	If "No," continue to question (A-15).		
	Note: Amounts are cumulative if the Applicant is applying for more than one type of service.		
(A-15)	If "No" to any of the above, provide the following information: Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.		
	Applicant will not require deposits or advance payments by Customers for Services. See Tariff Section Page		
(A-16)	Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the services will be provided.		
	Applicant will publish legal notice prior to authorization.		
(A-17)	Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:		
	☐ Yes		
	If "Yes," provide the name of the company or companies whose telecommunications services the Applicant resells:		
(A-18)	List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:		
	Applicant is currently not authorized in any jurisdiction. Applicant's affiliates are authorized in FL, GA, IL, MN, NY, OR, PA, and WA		
	Applicant has never been denied authority to provide intrastate telecommunications services.		
(A-19)	List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.		
	Applicant does not currently offer service in any jurisdictions. Applicant's affiliates offer similar service in IL, NY, and PA.		
(A-20)	List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.		
	Applicant currently has no affiliates providing service in Arizona.		

(A-21)	Check here is you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:			
	\boxtimes	Decision #64178	Resold Long Distance	
	\boxtimes	Decision #64178	Resold LEC	
	\boxtimes	Decision #64178	Facilities-Based Long Distance	
	\boxtimes	Decision #64178	Facilities-Based LEC	
			B. FINANCIAL INFORMATION	
(B-1)	Indicate if the Applicant has financial statements for the two (2) most recent years.			
		Yes	☑ No	
	lf "N	٩٥," explain why and g	ive the date on which the Applicant began operations.	
	App		ed subsidiary of Peerless Network, LLC. As a newly formed company e financial statements. Applicant is submitting the financial statements for guarantor.	
(B-2)	Inc	lude "Attachment C."		
	Pro	vide the Applicant's fir	ancial information for the two (2) most recent years.	
	1.	A copy of the Applica	nt's balance sheet.	
	2.	A copy of the Applica	nt's income statement.	
	A copy of the Applicant's audit report.			
	4. A copy of the Applicant's retained earnings balance 5. A copy of all related notes to the financial statements and information.			
	5.	• •	otes to the financial statements and information.	
Note: N	lake	sure "most recent yea	ars" includes current calendar year or current year reporting period.	
(B-3)	Ind	icate if the Applicant w	ill rely on the financial resources of its Parent Company, if applicable.	
	Ap	plicant will rely on the t	inancials resources of its Parent Company (See B-1).	
(B-4)	The	e Applicant must provi	de the following information:	
	1.	telecommunications scertification, adjusted	ed total revenue expected to be generated by the provision of services to Arizona customers for the first twelve months following to reflect the maximum rates for which the Applicant requested approval. By be calculated as the number of units sold times the maximum charge	
		Applicant's expected	revenue for the next 12 months is approximately \$0.00.	
	2.		expenses expected to be incurred during the first twelve months of ications services to Arizona customers following certification.	
		Applicant's expected	operating expenses during the first 12 months are approximately \$0.00.	
	3.	jurisdictional assets e Arizona customers at	value (original cost less accumulated depreciation) of all Arizona expected to be used in the provision of telecommunications service to the end of the first twelve months of operation. Assets are not limited to terms such as office equipment and office supplies should be included in	
		The net book value of	all Arizona jurisdictional assets is zero.	
	4.	If the projected value	of all assets is zero, please specifically state this in your response.	

The projected value of all assets is zero.

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

The projected fair value is zero.

C. RE	SOLD LONG DISTANCE AND/OR LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES		
(C-1)	Indicate if the Applicant has a resale agreement in operation.		
	☐ Yes		
	If "Yes," please reference the resale agreement by Commission Docket Number of Commission Decision Number.		
	D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES		
(D-1)	Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:		
	☐ Yes ⊠ No		
	If "Yes," provide the following information:		
	 The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona. 		
	 Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona. 		
	If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona:		
	Applicant will not construct or deploy any telecommunications facilities in the near future. However, Applicant is requesting authority to include such plans in case future market conditions warrant. In that case, Applicant may install simple soft-switch technologies either physically or virtually colocated with ILEC central offices. Applicant would not construct and deploy conduits, ducts, poles, wires, traditional end-office switches, or other facilities.		
	E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES		
(E-1)	Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:		
	⊠ Yes □ No		
(E-2)	Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:		
	⊠ Yes □ No		
(E-3)	Indicate that the Applicant's switch is "full equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-111 (A):		

I certify that if the applicant is an Arizona company, a current copy of the Articles of Organization is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona State Law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

	(Signature of Authorized Representative)
	(Date)
	John Barnicle (Print Name of Authorized Representative)
	CEO (Title)
SUBSCRIBED AND SWORN to before me this	day of 20
	NOTARY PUBLIC

I certify that if the applicant is an Arizona company, a current copy of the Articles of Organization is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona State Law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

	1000	roac	ne		
(Sig	hature	of Autho	rized	Represe	ntative)

03/10/2008

John Barnicle

(Print Name of Authorized Representative)

CEO

(Title)

SUBSCRIBED AND SWORN to before me this 10 day of March

NOTARY PUBLIC

DANIEL EDWARD MELDAZIS OFFICIAL SEAL Notary Public, State of Illinois My Commission Expires May 24, 2011

APPENDIX A

Secretary of State Certificate

03/11/2008

Arizona Corporation Commission State of Arizona Public Access System

7:37 AM

Jump To...

Scanned Documents Amendments Microfilm

Corporate Inquiry	
File Number: L-1276121-9	Check Corporate Status
Corp. Name: PEERLESS NETWORK OF ARIZONA, LLC	

Domestic Address

3035 E WELDON	
PHOENIX, AZ 85016	

Statutory Agent Information

Agent Name: HUBERT E KELLY	
Agent Mailing/Physical Address:	
3035 E WELDON	
PHOENIX, AZ 85016	
Agent Status: APPOINTED 04/05/2006	
Agent Last Updated: 06/21/2006	

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.	Business Type:	
Incorporation Date: 04/05/2006	Corporate Life Period: PERPETUAL	
Domicile: ARIZONA	County: MARICOPA	
Approval Date: 04/21/2006	Original Publish Date: 06/13/2006	

Member Information

COMMON POINTE NETWORKS LLC

MEMBER

27 N WACKER #444

CHICAGO,IL 60606

Date of Taking Office: 04/21/2006

Last Updated: 05/11/2006

Scanned Documents

(Click on gray button to view document)

Document Number	Description	Date Received
01553342	ARTICLES OF ORGANIZATION	04/21/2006
01646166	PUB OF ARTICLES OF ORGANIZATION	06/13/2006
02228766	PUB OF AMENDED ARTICLES OF ORGANIZATION	11/21/2007

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Amendments

Amendment	Amendment Type	Publish	Publish
Date		Date	Exception
05/11/2007	NAME CHANGE	11/01/2007	

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Name Changes / Mergers

Description	Corporation Name	Date
CHANGED FROM	COMMON POINTE NETWORKS OF ARIZONA, LLC	05/11/2007

Microfilm

Location	Date Received	Description	
11791011050	07/09/2007	AMENDMENT	

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Comments

RECD REG/AMD ON 07/09/07

- Corporate Name Search Instructions
- General Web Site Usage Instructions
- Return to STARPAS Main Menu
- Return to A.C.C. Corporations Division Main Page
- Return to Arizona Corporation Commission Home Page

APPENDIX B

Background and Experience of Management

John Barnicle

5216 S. Central Ave. Western Springs, IL 60558 johnbarnicle@yahoo.com (312) 543-1660

Experience

Oct. 2005 – May 2006

Lynch Interactive Corp.

Rye, NY

President and Chief Executive Officer

- Completed "going dark" process necessary to take the company private to minimize impact of Sabanes-Oxley requirements of public companies.
- Started initiative to grow non-regulated revenue streams to reduce company's reliance on USF support. Non-regulated revenue was on pace to grow 20% year over year.
- Completed refinancing of all or portions of six operating company loan agreements.

Feb. 2003 – October 2005

Neutral Tandem, Inc.

Chicago, IL

President and Chief Operating Officer

- Co-founder of Neutral Tandem. The company grew organically from inception to an annualized revenue run rate of over \$40 million in only twenty months. It became EBITDA positive within twelve months of providing service. Customers included every major competitive wireless and wireline carrier in the country.
- Responsibilities included overseeing sales, marketing, engineering, operations and IS departments, with full P&L responsibility.
- Instrumental in raising over \$35 million in equity and debt capital at a challenging time in the telecom industry.

May 1996 - Oct. 2002

Focal Communications

Chicago, IL

President and Chief Operating Officer

- Co-founder of Focal Communications. The company grew organically to annualized revenue run rate of approximately \$350 million, with nearly 1 million DS-0 equivalents of voice and data services in service across twenty-three markets
- Customers included half of the Fortune 100, wireless and VOIP providers and ISPs
- Services included local phone service (POTS, T-1s, Primary Rate ISDN), long distance, private lines, internet access, managed modem, co-location, and DSL
- Responsibilities included overseeing marketing, engineering, operations and IS departments, and various aspects of sales
- Service-related customer churn averaged about 1% per year, and the company won various awards for customer service and its IS systems implementation from customer groups, Innovation Week and CIO Magazine
- Full P/L responsibility, including responsibility for the capital budget, which peaked at nearly \$300 million per year.
- Participated in private and public fund raising including an IPO, two high yield bond offerings, bank credit facility and a private recapitalization raising over \$800 million

Vice President – Marketing

- Responsible for marketing all MFS services throughout North America. Led the integration the disparate marketing organizations of several MFS subsidiaries (Datanet, Intelenet, Telecom) when MFS underwent a major reorganization
- Developed and managed MFS' ILEC co-location business, responsible for everything from regulatory lobbying, budgeting, construction management, systems modifications, sales compensation plan adjustments, and sales support
- Participated on the team of people that developed MFS' switched services offering, which eventually grew into MFS Intelenet
- Responsible for negotiating MFS' first interconnection agreement with Ameritech
- Became the only employee of an MFS subsidiary (MFS Telephone), which acted as an agent to sell MFS Intelenet services to large businesses and internet services providers
- Provided technical sales support on the full range of services for MFS largest clients

Sept. 1994 – Feb.1996

Duff & Phelps Credit Rating Co.

Chicago, IL

Vice President

- Issued credit ratings and related research reports on public debt instruments of communications companies
- Clients included top IXC, Cable TV, wireless and emerging wireline carriers
- Met with senior management teams of rating clients to understand strategic direction of companies, performed extensive financial analysis on business plans, financial reports and debt issuance documents to assess relative credit risk that helped establish and maintain appropriate interest rates on these debt instruments

June 1986 – April 1992

Centel

Various locations

Staff Engineer/Sr. Manager, Business Services

- Responsibilities included all marketing efforts and resources associated with providing equipment and services to all business customers, representing approximately nearly \$100 million per year in revenue
- Developed a plan to utilize emerging competitive access providers to transport local telephony services outside of landlocked franchise territory boundaries into the greater metropolitan area served by Ameritech
- Planned and oversaw the initial introduction of Signaling System #7 in various Centel switching centers to support 800 number portability and CLASS services
- Planned all of Centel's 911/E911 implementation across 1.5 million access lines in nine states

Education

- M.B.A. Finance (with Distinction), DePaul University, 1995
- B.S. Electrical Engineering with an emphasis on RF communications systems, University of Illinois at Champaign, 1987

Douglass B. Lee

Co-Founder/Chief Financial Officer

Douglass B. Lee has over 15 years of telecommunications industry experience, prior to cofounding Peerless Network, Doug served as Co-Founder and Chief Financial Officer of TeleGuam Holdings, LLC (the Incumbent Local Exchange Carrier (ILEC) on Guam, and an integrated provider of communications services in the Western Pacific, offering wireline, wireless, long distance, and broadband communication services to consumers and businesses). As a founding member for TeleGuam, he was responsible for managing all financial and accounting functions for the company, upon the company's leveraged buyout of the government run phone company. Doug also managed corporate development, IT, strategy, investor relations, and risk management, and was part of core team that successfully won the competitive bid over the Carlyle Group in 2004.

Doug has a wealth of financial experience both in and out of telecommunications having worked for Excelline Foods Inc as CFO and as a founding member of management in a private equity leveraged buyout of the company, as Vice President of Finance at Focal Communications and as a Senior Associate at PriceWaterhouse Coopers, Telecom, and Media in San Francisco CA, and at Coopers & Lybrand Consulting in Chicago Illinois.

Mr. Lee earned his M.B.A. from Harvard University Graduate School of Business Administration, and a B.S. from the University of Illinois, Urbana/Champaign, Illinois.

Richard Knight

645 North Kingsbury #1302 Chicago, IL. 60610 312-642-6286 rfk312@gmail.com

Summary

17 years of award winning business-building experience encompasses launching new technologies and products, creating local and national marketing programs, acquiring customers and directly impacting corporate margins by increasing gross revenues. I have developed, sold, supported, engineered and implemented customer solutions that achieved high-margin revenues. Experience includes Fortune 500, affinity and wholesale market segments.

Career History

Origin Communications (10/2002 – Present) Chicago, IL. * Founder/President

Origin Communications provides customers in the call center and telecommunications markets with the latest cost savings technological solutions. Our programs increased customers' efficiencies and profitability by a minimum of 50%. Areas of expertise include Voice over Internet Protocol and sales and marketing strategies. Origin Communications delivers results to Small to Medium Enterprise (SME) Markets to the Fortune 500 Companies that positively impact profitability. Key accounts included Gateway Computers, TeleGuam Holdings, RWT Telephone, Excel Energy, Bramah Security Systems UK

Focal Communications (08/1997 – 10/2002) Chicago, IL.

National Vice President Sales and Support

Executive responsible for developing rapid growth segments, driving network efficiencies, maximizing bottom line recurring revenues and minimizing SG&A costs. Effort included building a team that grew from 1 to over 120 sales, customer relations and technical support that was recognized as the industry leader in service quality.

- Drove revenue by creating Focal's first wholesale, strategic and agent business channels where
 my team sold network solutions to high-tech companies such as Time Warner/AOL, Excel
 Energy, Comcast, EarthLink, Bell South and Qwest.
- Increased revenues from \$0 to over \$280M or 80% of Focal's revenue.
- Inherited the declining business segment, the Data Services Group, which had lost \$40M or 33% of its revenues. Reversed the trend and began a 10% growth rate within 8 months.
- Maintain the lowest expense to revenue, bad debt to revenue, churn and highest revenue per team member.

MCI Communications (4/1995 – 8/1997)

Atlanta, GA. Executive Manager

Led efforts on two initiatives to grow the Carrier business segment from \$300M to \$4B. Supervised 14 staff and a \$15.8M budget. The key was to build a marketing team and organizational structure from scratch. Recruited 14 product marketing and development managers internally from MCI divisions and led them to create segment specific products and programs.

- Introduced 6 new products worth \$1.7B in contracted revenue.
- Created MCI's first ever online, e-commerce services for our carrier customers to allow them to view order status and billing for their customer base.
- Provided training to over 300+ Carrier Services personnel.
- Implemented product strategies that minimized end-user confusion and regulatory risk.

MCI Communications (11/1993 – 04/1995)

Atlanta, GA. Senior Manager

Developed and implemented new product segment strategies. Focused on new market entries that would diversify revenues and differentiate MCI from its key competitors.

- Initiated new programs that generated \$18M in annual revenue in the first 60 days.
- Introduced 3 new products representing over \$5M in monthly revenue.

MCI Communications (04/1991 – 11/1993

Washington, DC Marketing Manager

Managed Interexchange Carrier and Independent Telco Segments. Led national program development, implementation, support and strategy.

- Implemented initiatives that increased revenue over 75%, from \$350M to \$550M.
- Signed 8 Independent Telcos within the first 120 days.

MCI Communications (08/1990 – 04/1991)

Washington, DC Partner Marketing Manager

Responsible for sales strategy to capture affinity marketing business revenues and then create the direct marketing campaigns to support revenue growth once the affinity partners signed-on.

- Established 7 new sales agents and affinity programs, which generated over \$1.5M in monthly revenues.
- Key accounts sold and managed included GE, American Home Builders Association and the American Bar Association

Education

M.B.A. DePaul University Chicago, IL. B.B.A University of Iowa Iowa City, IA.

APPENDIX C

Financial Qualifications



National City.

National City Bank PD BOX 8043 ROYAL OAK MI 48068-8043

13293

Statement Period: Feb. 1, 2008 - Feb. 29, 2008
Account Number: 982842900

Contact Us

Phone: 1-800-925-9259

TDD for the Hearing Impaired: 1-800-290-0211

Customer Service Hours: Mon. - Fri.: 7 a.m. - 9 p.m. Ef Saturday: 7 a.m. - 2 p.m. Ef Sunday: 10 a.m. - 4 p.m. Ef

Web: NationalCity.com

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Important Information About Your Account

Information about Fee Increases

Effective Monday, April 28, 2008

What's shown below <u>replaces</u> what's shown on your Pricing Schedule for Business Accounts. Anything on your Pricing Schedule that is **not** shown here remains the same.

Special Handling and Miscellaneous Service Fees

ATM activity (including account inquiries) remains **FREE** for National City customers at National City ATMs, otherwise: Non-National City ATM...\$2.00 each

Returned deposited item: Domestic...\$10.00 per item



Automated Funds Manager

Account Summary for 982842900

Beginning Balance as of Feb. 1, 2008		\$110,417.33
Deposits	3 items	+200,000.00
Miscellaneous Credits	42 items	+ 53,781,031.53
Checks	26 items	-215,581.29
Converted Checks	0 items	-0.00
ACH Transfers	16 items	- 116,577.93
Wire Transfers	3 items	-77,800.00
Other Debits and Transfers	21 items	- 53,581,000.00
Ending Balance as of Feb. 2	\$100,489.64	



Date	Amount
02/05	\$50,000.00
02/13	100,000.00

50,000.00

Total: 3 items for \$200,000.00

Miscellaneous Credits

Date	Description	Amount	
02/01	Sweep Investment Credit	\$2,765,000.00	
02/01	Sweep INT/DIV Payment	215.31	
02/04	Sweep Investment Credit	2,755,000.00	
02/04	Sweep INT/DIV Payment	643.59	
02/05	Sweep Investment Credit	2,655,000.00	
02/05	Sweep INT/DIV Payment	206.74	
02/06	Sweep Investment Credit	2,655,000.00	
02/06	Sweep INT/DIV Payment	206.74	
02/07	Sweep Investment Credit	2,655,000.00	
02/07	Sweep INT/DIV Payment	206.74	
02/08	Sweep Investment Credit	2,555,000.00	
02/08	Sweep INT/DIV Payment	198.95	
02/11	Sweep Investment Credit	2,711,000.00	
02/11	Sweep INT/DIV Payment	633.31	
02/12	Sweep Investment Credit	2,654,000.00	
02/12	Sweep INT/DIV Payment	206.66	
02/13	Sweep Investment Credit	2,649,000.00	
02/13	Sweep INT/DIV Payment	206.27	
02/14	Sweep Investment Credit	2,646,000.00	
02/14	Sweep INT/DIV Payment	206.04	
02/15	Sweep Investment Credit	2,731,000.00	
02/15	Sweep INT/DIV Payment	212.66	
02/19	Sweep Investment Credit	2,731,000.00	
02/19	Sweep INT/DIV Payment	850.64	
02/20	Sweep Investment Credit	2,659,000.00	
02/20	Sweep INT/DIV Payment	203.42	
02/21	Sweep Investment Credit	2,696,000.00	
02/21	Sweep INT/DIV Payment	20625	
02/22	Sweep Investment Credit	2,640,000.00	
02/22	Sweep INT/DIV Payment	201.97	
02/25	Sweep Investment Credit	2,640,000.00	
02/25	Wire Transfer Credit	5,000.00	- (A
02/25	Sweep INT/DIV Payment	605.90	
02/26	Sweep Investment Credit	2,639,000.00	
02/26	Sweep INT/DIV Payment	201.89	
02/27	Sweep Investment Credit	2,612,000.00	
02/27	Wire Transfer Credit	250,000.00 FC	الهال
		Continued	•

Continued



National City.

Statement Period: Feb. 1, 2008 - Feb. 29, 2008

Account Number: 982842900

OTHER

Miscellaneous Credits (continued)

Date	Description	Amount
02/27	Sweep INT/DIV Payment	199.83
02/28	Sweep Investment Credit	2,736,000.00
02/28	Sweep INT/DIV Payment	209.31
02/29	Sweep Investment Credit	2,736,000.00
02/29	Sweep INT/DIV Payment	209.31

Total: 42 items for \$53,781,031.53

6.037.53



Checks and Converted Checks

Checks

Check No.	Amount	Date	Check No.	Amount	Date
3049	\$1,300.00	02/01	3062	8,105.41	02/14
3050	17,489.72	02/11	3063	1,677.58	02/12
3051	2,550.00	02/14	3065*	100.00	02/19
3052	1,055.46	02/11	3068*	2,662.65	02/20
3053	53.00	02/20	3069	748.88	02/19
3054	233.70	02/06	3070	4.69	02/15
3055	15.00	02/05	3071	10,000.00	02/20
3056	654.81	02/06	3072	125,955.22	02/27
3057	175.00	02/07	3073	1,362.00	02/25
3058	3,500.00	02/08	3077*	7,634.70	02/26
3059	850.58	02/11	3078	11,749.86	02/26
3060	2,821.99	02/13	3079	3,700.00	02/29
3061	5,000.00	02/14	3080	6,181.04	02/29

Total: 26 items for \$215,581.29

ACH Transfers

Date	Description	Amount
02/01	Online Payment To Natl City Visa 4436033055020074	\$8,069.55
02/01	ADP TX/Find Sc ADP - Tax E6Cd 013003V01 080201	888.93
02/01	ADP Payroll Fees ADP - Fees 662156196805934 080201	235.17
02/06	ADP Payroli Fees ADP - Fees 13Cd 7155155 080206	92.00
02/11	ADP TX/Find Sic ADP - Tax 763009207741Cd 080211	25,650.81
02/11	ADP TX/Find Sic ADP - Tax E6Cd 020805A01 080211	12,678.65
02/12	ADP TX/Find Sic ADP - Tax E6Cd 020805V01 080212	2,151.00
02/12	ADP TX/Find Sic ADP - Tax 558014441017Cd 080212	1,934.73
02/13	ADP Payroll Fees ADP - Fees 13Od 7401625 080213	106.00
02/19	Health Care Serv Obppaymt 5718142671 021908	4,174.55

Continued

^{*}Indicates a gap in check sequence

ACH Transfers (continued)

Date	Description	Amount
02/21	ADP TX/Find S.c ADP - Tax 717016289108Cd 080221	37,320.30
02/21	ADP TX/Find S.c ADP - Tax E6Cd 022207A01 080221	18,741.97
02/21	Analysis Charges Billing Period Ended 013108	760.30
02/26	ADP TX/Find Svc ADP - Tax E6Cd 022207V01 080226	3,439.47
02/27	ADP Payroll Fees ADP - Fees 13Cd 8107539 080227	109.50
02/28	Chicago Transit Debits 767307	225.00

Total: 16 items for \$116,577.93

WIRES Wire Transfers

Date	Description	Amount
02/19	Wire Transfer Debit	\$67,800.00
02/25	Wire Transfer Debit	5,000.00 - A Hercules Neturned
02/26	Wire Transfer Debit	(5,000.00) clared
		Total 2 fame for 677 200 10

Total: 3 items for \$77,800.00

OTHER

Other Debits and Transfers

Date	Description	Amount	
02/01	Sweep Investment Debit	\$2,755,000.00	
02/04	Sweep Investment Debit	2,655,000.00	
02/05	Sweep Investment Debit	2,655,000.00	
02/06	Sweep Investment Debit	2,655,000.00	
02/07	Sweep Investment Debit	2,555,000.00	
02/07	Deposited Item Returned	100,000.00	Copron
02/08	Sweep Investment Debit	2,711,000.00	1
02/11	Sweep Investment Debit	2,654,000.00	
02/12	Sweep Investment Debit	2,649,000.00	
02/13	Sweep Investment Debit	2,646,000.00	
02/14	Sweep Investment Debit	2,731,000.00	
02/15	Sweep Investment Debit	2,731,000.00	
02/19	Sweep Investment Debit	2,659,000.00	
02/20	Sweep Investment Debit	2,696,000.00	
02/21	Sweep Investment Debit	2,640,000.00	
02/22	Sweep Investment Debit	2,640,000.00	
02/25	Sweep Investment Debit	2,639,000.00	
02/26	Sweep Investment Debit	2,612,000.00	
02/27	Sweep Investment Debit	2,736,000.00	
02/28	Sweep Investment Debit	2,736,000.00	
02/29	Sweep Investment Debit	2,726,000.00	
		7.1.1.04.24	

Total: 21 items for \$53,581,000.00

APPENDIX D

Local Exchange Tariff

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES APPLYING TO LOCAL EXCHANGE SERVICE WITHIN THE STATE OF ARIZONA

This tariff contains the description, regulations, and rates applicable to the furnishing of local exchange telecommunications services provided by Peerless Network of Arizona, LLC, within the State of Arizona. This tariff is on file with the Arizona Corporation Commission ("Commission"). Copies may be inspected during normal business hours at the Company's place of business.

Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285 Chicago, IL 60606

CHECK SHEET

All sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

SHEET	REVISION	SHEET	REVISION
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	Original	31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51	Original
30	Original		

Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

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Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SYMBOLS

The following symbols shall be used in this tariff for the purposes indicated below:

		Deleted or discontinued material
$\boldsymbol{\omega}$	_	Deleted of discontinued material

I - Change resulting in a rate increase

M - Moved from another tariff location

N - New material

R - Change resulting in a rate reduction

T - Change in text only, no change in rate

Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

TARIFF FORMAT

- A. Page Numbering Page numbers appear in the upper right hand comer of the page. Pages are numbered sequentially. From time to time new pages may be added to the tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Pages 3 and 4 would be numbered 3.1.
- B. Page Revision Numbers Revision numbers also appear in the upper-right corner of the Page. These numbers are used to determine the most current page version on file with the Commission. For example, 4'h Revised Page 4 cancels 3rd Revised Page 4.
- C. Paragraph Numbering Sequence There are various levels of paragraph coding. Each level of coding is subservient to its next higher level of coding. For example,
 - 2.
 - 2.1
 - 2.1.1
 - 2.1 .l.A.
 - 2.1.1 .A.1.
 - 2.1.1 .A.1 .(a)
- D. Check Sheet When a tariff filing is mad with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross-reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Cheek Sheet to find out if a particular page is the most current page on file with the Commission.

Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285 Chicago, IL 60606

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of local exchange service by Peerless Network of Arziona, LLC within the State of Arizona and subject to the jurisdiction of the Arizona Corporation Commission.

Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement that connects the customer's location to a switching center or point of presence.

Advance Payment / Prepayment – Payment of all or part of a charge required before the start of service.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Company's service.

Carrier or Company - Whenever used in this tariff, "Carrier" or "Company" refers to Peerless Network of Arizona, LLC, unless otherwise specified or clearly indicated by the context.

Commission – Arizona Corporation Commission

Customer - The person, firm, corporation, or other entity which orders, cancels, amends, or uses service and is responsible for payment of charges and compliance with the Company's tariff.

End User – Any person, firm, corporation, partnership or other entity that uses the services of the Company under the provisions and regulations of this tariff. The End User is responsible for the payment unless the charges for the services utilized are accepted and paid by another customer.

Exchange Access Line - The serving central office line equipment and all Company plant facilities up to and including the Company-provided Standard Network Interface. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariffed use offering selected by the Customer.

Extended Calling Area – the area outside the basic calling area. Calls to this area result in additional charges per call.

Holidays - The Company's holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

ILEC - The incumbent Local Exchange Carrier

Individual Case Basis - A service arrangement in which the regulation, rates and charges are developed based on the specific circumstances of the Customer's situation.

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John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

LATA – A local access and transport area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 32-0192 for the provision and administration of communications services.

Local Calling – A completed call or telephonic communication between a calling Station and any other Station within the local service area of the calling Station.

Local Exchange Company (LEC) – A company that furnishes exchange telephone service.

Local Exchange Services - Telecommunications services furnished for use by end-users in placing and receiving local telephone calls within local calling areas.

Non-Recurring Charges ("NRC") – The one-time initial charges for services or facilities, including but not limited to charges for construction, installation or special fees, for which the Customer becomes liable at the time the Service Order is executed.

Person-to-Person Calling - An operator-assisted service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant. These calls may not be dialed.

Premises - All space in the same building occupied by a customer and all space occupied by the same customer in different buildings on continuous property.

Recurring Charges ("MRC") – The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Residential Service – Residential Service is that service furnished to private homes or apartments, including all parts of the subscriber's domestic establishment, for domestic use and not for substantial occupation use; in the study of a clergyman located in a church, in college fraternity or sorority houses, college dormitories, convents and monasteries for domestic rather than occupational use in residential quarters.

Resold Local Exchange Service - A service composed of the resale of exchange access lines and local calling provided by other authorized Local Exchange Carriers, in combination with Company-provided usage services, miscellaneous services or interstate or international services.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Service Commencement Date – The first day following the date on which the Company notified the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to the standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

Service Order – The written request for local exchange services executed by the Customer and the Company in a format specified by the Company. The signing of a Service Order by the Customer and acceptance thereof by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Station-to-Station Calling - a service whereby the originating End User requests the assistance of a Company operator to place or bill the call. Calls billed Collect or to a telephone company issued Calling Card or to an authorized Credit Card are Operator-Station calls unless the call is placed on a Person-to-person basis. Automated Calling Card calls are not Operator-station calls. These calls may not be dialed. Collect calls to coin telephones and transfers of charges to third telephones that are coin telephones will not be accepted.

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John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

The Company services offered pursuant to this Tariff are furnished for Local Exchange Service among specified points within a Local Calling Area.

The Company installs, operates, and maintains the communications services provided herein under in accordance with the terms and conditions set forth under this tariff. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities as required in the Commission's rules and orders, when authorized by the Customer, to allow connection of a Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise indicated, and are available twenty-four hours per day, seven days per week.

The Company is responsible only for the services provided under this tariff, and it assumes no responsibility for any service or facilities provided by any other entity.

2.2 Limitations

- 2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, and subject to the provisions of this tariff.
- 2.2.2 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of the provisions of this tariff, or in violation of the law.
- 2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4 All facilities provided under this tariff are directly controlled by the Company and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service of facilities.
- 2.2.5 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to any assignee or transferee.

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Effective:

Issued By: John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 – RULES AND REGULATIONS

2.3 **Use**

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

2.4 Liabilities of the Company

- 2.4.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission, which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.
- 2.4.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3 The company shall not be liable for, and shall be fully indemnified and held or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material data, information, or other content revealed to, transmitted, or used by the Company under this tariff, or for any act or omission of the Customer, or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.
- 2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.
- 2.4.5 The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service, which is not the direct result of the Company's negligence.

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Issued By: John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 – RULES AND REGULATIONS

2.5 **Deposits**

The Company does not collect customer deposits.

2.6 Advance Payments

The Company does not require advance payments.

2.7 Taxes

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.8 Installation

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

2.9 Payment for Service

The Customer is responsible for payment of all charges for services furnished to the Customer or to an Authorized User of the Customer by the Company. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments.

The Company's billing invoices will be considered correct and binding upon the Customer if no notice is received from the Customer within thirty (30) days of the date of the invoice. (Billing inquires may be made in writing or via telephone.) Adjustments to Customer's bills shall be made, to the extent circumstances exist, which reasonably indicate that such changes are appropriate. Upon receipt of a billing inquiry, charges involved in the disputed element(s) of the invoice will be temporarily suspended pending resolution of the dispute. The Customer, however, remains responsible for the timely payment of the non-disputed elements of the invoice.

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Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 - RULES AND REGULATIONS

2.10 Late Payment Charge

The Company will assess a charge for late payment in the amount of 1½% of the unpaid balance. A payment is considered late after the five (5) day grace period. A late payment penalty may be assessed only once on any bill for rendered services.

2.11 Cancellation by Customer

Customer may cancel service by providing written or oral notice to the Company.

2.12. Interconnection

Service furnished by the Company may be connected with the services or facilities of other carriers or enhanced service providers. The Customer is responsible for all charges billed by these entities for use in connection with the Company's service. Any special interface equipment of facilities necessary to achieve compatibility between these entities is the responsibility of the Customer. Neither the Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

2.13 Refusal or Discontinuance by Company

The Company may refuse or discontinue service under the following conditions in accordance with Commission rules:

- 2.13.1 For non-compliance with or violation of any State, municipal, or Federal law, Ordinance or regulation pertaining to telephone service.
- 2.13.2 For use of telephone service for any other property or purpose than that described in application.
- 2.13.3 For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.
- 2.13.4 For noncompliance with or violation of Commission regulation or the Company's rules and regulations on file with the Commission, provided ten days written notice is given before termination.

Issued:

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Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 – RULES AND REGULATIONS

2.13 Refusal or Discontinuance by Company (continued)

- 2.13.5 For nonpayment of bills, including bills for any of the Company's other communication services, provided that suspension or termination of service shall not be made without seven days written notice to the Customer, except in extreme cases.
- 2.13.6 Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's service to others. Within twenty-four (24) hours after such termination, the utility shall send written notification to the Customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.7 Without notice in the event of tampering with equipment or services owned by the Company or its agents. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's rights to challenge the termination by filing a formal complaint with the Commission.
- 2.13.8 Without notice in the event of unauthorized of fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to any an amount reasonably estimated as the loss in revenues resulting from such fraudulent use. Within twenty-four (24) hours after such termination, the utility shall send written notification to the Customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.9 Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits Company from furnishing such services.

Issued:

Effective:

Issued By: John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 – RULES AND REGULATIONS

2.14 Tests, Pilots, Promotional Campaigns and Contests

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees for winners of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time, the Company may waive all processing fees for a Customer. The Company will notify the Commission regarding specific promotions and contests at least seven (7) days prior to implementation.

2.15 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which Customer desires a credit allowance. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Company's terminal. Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein.

The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

Credit =
$$A \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.16 Cost of Collection and Repair

The Customer is responsible for any and all costs incurred in the collection of monies due the Carrier including legal and accounting expenses. Customer is also responsible for recovery costs of Carrier-provided equipment and any expenses required for repair or replacement of damaged equipment.

Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 – RULES AND REGULATIONS

2.17 Returned Check Charge

A fee may be charged for each check returned for insufficient fund as set forth in this tariff up to a maximum of \$30.00.

2.18. Service Implementation

Absent a promotional offering, service implementation charges will apply to new service orders.

2.19 Reconnection Charge

The Company will charge a reconnection fee as set forth in this tariff.

2.20 Reserved for Future Use

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Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

SECTION 2 – RULES AND REGULATIONS

2.21. Access to Telephone Relay Services

Where required by the Commission, the Company will participate in telephone relay services for handicapped and or hearing-impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

2.21.1 Discounts for Hearing Impaired Customers

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll charges placed between TDDs. Discounts do no apply to surcharges or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

<u>TDD</u>: The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and night/weekend rate during the evening rate period.

TRS: The credit to be given on a subsequent bill for such calls placed by TDDs with the assistance of the relay center will be equal to 50% of the rate for the applicable rate period. If either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted at 25% of the applicable rate.

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SECTION 2 – RULES AND REGULATIONS

2.22 **Directory Listings**

- 2.22.1 The Company does not publish a directory of subscriber listings. The Company, however, does arrange for the Customer's main billing number to be placed in the directory or directories of the dominant local exchange carrier.
- 2.22.2 The rates and regulations specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying subscriber's telephone number and as an aid to the use of telephone service.
- 2.22.3 The listings of subscribers, either without charge or at the rate specified within this tariff for other listings are arranged alphabetically and are not intended for special prominence of arrangement. In accepting listings as requested by subscribers or prospective subscribers, the Company will not be a party to controversies between subscribers as result of the publication of such listings in the directories.
- 2.22.4 Listings must conform to the Company's specifications with respect to the directories. The Company reserves the right to reject listings when in, its sole judgment, such listings would violate the integrity of company records and the directories, confuse individuals using the directory, or when the customer cannot provide satisfactory evidence that he is authorized to do business as requested.
- 2.22.5 The Company reserves the right to limit the length of any listing to one line in the directory by use of abbreviations when, in its sole judgment, the clearness of the listing and the identification of the subscriber is not impaired.
- 2.22.6 Generally, the listed address is the location of the subscriber's residence.

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SECTION 2 – RULES AND REGULATIONS

2.23 Universal Emergency Telephone Number Service

- 2.23.1 This tariff does not provide for inspection or constant monitoring of facilities to discover errors, defects, or malfunctions in the service, nor does the Company undertake such responsibility.
- 2.23.2 91I information consisting of the names, addresses and telephone numbers of all telephone customers is confidential. The Company will release such information via the Data Management system only after a 91 1 call has been received, on a call by call basis, only for the purpose of responding to an emergency call in progress.
- 2.23.3 The 911 calling party, by dialing 911, waives the privacy afforded by non-listed and non-published service to the extent that the telephone number, name, and address associated with the originating station location are furnished to the Public Safety Answering Point.
- 2.23.4 After the establishment of service, it is the Public Safety Agency's responsibility to continue to verify the accuracy of and to advise the Company of any changes as they occur in street names, establishment of new streets, changes in address numbers used on existing streets, closing and abandonment of streets, changes in police, tire, ambulance or other appropriate agencies' jurisdiction over any address, annexations and other changes in municipal and county boundaries, incorporation of new cities or any other similar matter that may affect the routing of 911 calls to the proper Public Safety Answering Point.

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SECTION 2 - RULES AND REGULATIONS

2.23 Universal Emergency Telephone Number Service (continued)

2.23.5 The Company assumes no liability for any infringement, or invasion of any right of privacy of any person caused, or claimed to be caused, directly or indirectly by the use of 91 1 service. Under the terms of this tariff, the Public Safety Agency must agree, (except where the events, incidents, or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct). to release, indemnify, defend and hold harmless the Company from any and all losses or claims whatsoever, whether suffered, made, instituted, or asserted by the Public Safety Agency or by any other party or person, for any personal injury to or death of any person or persons, for any loss, damage, or destruction of any property, whether owned by the customer or others. Under the terms of this tariff; the Public Safety Agency must also agree to release, indemnify, defend and hold harmless the Company for any infringement of invasion of the right of privacy of any person or persons, caused or claimed to have caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion, or use of 911 service features and the equipment associated therewith, or by any services furnished by the company in connection therewith, including, but not limited to, the identification of the telephone number, address, or name associated with the telephone used by the party pr parties accessing 911 service hereunder, and which arise out of the negligence, other than gross negligence or willful misconduct, of the Company, its employees or agents.

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SECTION 3 -DESCRIPTION OF SERVICE

3.1 Local Service Areas

The Company will provide local exchange service throughout the BellSouth access areas.

3.2 Local Exchange Service

Installation, monthly recurring charges will apply to the Company's local exchange services.

- 3.2.1. The Company's Local Telephone Service provides a Customer with the ability to:
 - --- place or receive calls to any calling Station in the local calling area, as defined herein:
 - --- access basic 911 Emergency Service; and
 - --- place or receive calls to 800/888/887 telephone numbers.
- 3.2.2 Local Line provided the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.
- 3.2.3 Standard Features: Each Local Line customer is provided with the following standard features:

Touch Tone
Direct Inward Dialing
Direct Outward Dialing

- 3.2.4 Optional Features: A Customer may order optional features at the rates specified in this tariff.
- 3.2.5 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring Charges, monthly Recurring Charges and usage charges as specified herein.

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SECTION 4 – CONNECTION CHARGES

4.1 Connection Charge

4.1.1 General

The Connection Charge is a nonrecurring charge which applies to the following: (a) the installation of a new service; (b) the transfer of an existing service to a different location; (c) a change from one class of service to another at the same or a different location; or (d) restoral of service after suspension or termination for nonpayment. Connection Charges are listed with each service to which they apply.

4.1.2 Exceptions to the Charge

- A. No charge applies for a change to a service for which a lower monthly rate applies, made within 90 days after any general rate increase, if a lower grade of service is offered in the customer's exchange.
- B. The Company may from time to time waive or reduce the charge as part of a promotion.

4.2 Restoral Charge

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section I of this Tariff.

Business \$100.00

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SECTION 4 – CONNECTION CHARGES

4.3 Moves, Adds, and Changes

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the work had been done by the Company.

The customer will be assessed a charge for any move, add or change of a Company service and is charged in addition to any other monthly or installation charge which is associated with the service the customer orders. Move, Add and Change are defined as follows:

Move: The disconnection of existing equipment at one location and

reconnection of the same equipment at a new location in the same

building or in a different building on the same premises.

Add: The addition of a vertical service to existing equipment and/or service at

one location.

Change: Change - including rearrangement or reclassification - of existing

service at the same location.

	<u>Move</u>	<u>Add</u>	<u>Change</u>
Business Charge per Order	\$50.00	\$50.00	\$50.00
Line Connection (per line)	\$100.00	\$100.00	\$100.00

Record Work Only (This charge is applicable for changes that do not involve central office or premise work.)

\$50.00

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SECTION 4 – CONNECTION CHARGES

4.4 Charges Associated With Premises Visit

4.4.1 Trouble Isolation Charge

When a visit to the customer's premises is necessary to isolate a problem reported to the Company but identified by the Company's technician as attributable to customer-provided equipment or inside wire, a separate charge applies in addition to all other charges for the visit.

Per Premises Visit, Business:

\$100.00

4.5 Primary Interexchange Carrier Change Charge

Customers may be presubscribed to the carrier of their choice for both interLATA and intraLATA service. The customer will incur a charge each time there is a change in the long distance carrier associated with the customer's intraLATA or interLATA service after the initial installation of service.

\$2.50

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SECTION 5 – SUPPLEMENTAL SERVICES

5.1 Custom Calling Service

5.1.1 General

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability; features may not be available with all classes of service. Transmission levels may not be sufficient in all cases.

5.1.2 Feature Descriptions and Rates

Rates in this section are applied on a monthly basis unless otherwise specified:

CALL WAITING	\$1.00
	W 1.00

Provides a tone signal when a second call is coming in on a busy line.

CALL FORWARDING-Variable \$1.00

Permits a customer to automatically transfer all incoming calls to another dialable telephone number.

THREE-WAY CALLING \$1.00

Adds a third party to an established connection without operator assistance.

SPEED CALLING - 39 Number List \$1.00

Allows a customer to call other telephone numbers by dialing a code rather than the complete telephone number.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.1 Custom Calling Service (continued)

5.1.2 Feature Descriptions and Rates (continued)

CALL TRACE

Per Activation

\$1.00

This feature will, upon successful customer activation, automatically trace the telephone number of the line used for the last call received by the Customer. Call Trace is provided to customers whose local Telephone Exchange Service includes only Residence lines. The company will not provide the traced number to the customer, but it will be provided to law enforcement officials upon written request of the customer.

DISTINCTIVE RINGING

\$1.00

This feature allows a customer to designate up to ten telephone numbers from which incoming calls will have a distinctive ring. For customers with call waiting, a distinctive call-waiting signal will be received if a call from one of the designated telephone numbers is waiting.

CALL SCREENING

\$1.00

Customer can designate 10 numbers from which incoming calls will be connected to a pre-recorded announcement that calls are not being taken now.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.1 Custom Calling Service (continued)

5.1.2 Feature Descriptions and Rates (continued)

CALLER ID

\$3.00

This Central Office feature provides for the display of the incoming telephone number on a customer provided display device attached to customer's the telephone answering machine with a built-in display screen. The Caller ID feature will forward the calling number from appropriately the equipped terminating central office to the customer provided display device. The Company will forward all telephone numbers subject to technical limitations.

CALLER ID WITH NAME

\$5.00

This Central Office feature is only offered to customers being served by appropriately equipped central offices and subscribing to caller ID. This feature provides for the display of the listed name associated with the telephone number from which the call is being made. The name will be delivered to a customer provided display device. company will forward all calling names subject to technical limitations.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.1 Custom Calling Service (continued)

5.1.2 Feature Descriptions and Rates (continued)

BUSY LINE TRANSFER

\$1.00

In the event that the called telephone number is busy, this feature automatically forwards incoming calls to a predetermined telephone number served by the same central office switch, or provides inter-switch forwarding to a predetermined, dialable telephone number where technically available. If incoming calls are transferred to a number served by the same or a different central office switch, multiple calls will be transferred simultaneously provided that there are sufficient facilities to accept the calls. This feature is not compatible with Call Waiting or Direct Inward Dialing Service.

ALTERNATE ANSWERING

\$1.00

In the event that the telephone number is not answered within the Company designated parameters, normally three to four rings, this feature automatically forwards incoming calls to a predetermined, or a different central office switch, multiple calls will be transferred simultaneously provided that are sufficient facilities to accept the calls.

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SECTION 5 -- SUPPLEMENTAL SERVICES

5.1 Custom Calling Service (continued)

5.1.2 Feature Descriptions and Rates (continued)

MESSAGE WAITING TONE

\$1.00

Allows an audible signal, stutter dial tone, to be present on the line when a message is waiting.

BUSY LINE TRANSFER, ALTERNATE ANSWERING, MESSAGE WAITING TONE

\$1.00

Allows access to all three services.

CUSTOMER CONTROL OPTION

Allows the customer to activate/ deactivate the Busy Line Transfer and Alternate Answering features and to change the number to which the calls are forwarded.

Alternate Answering

\$1.00

\$1.00

EASY CALL

\$1.00

Provides automatic dialing of a number when the customer's line is taken off-hook, at 7-second intervals.

SPECIAL DELIVERY SERVICE

\$1.00

When a busy or don't answer condition exists on an outgoing call, this feature automatically forwards the calling party to a pre-determined telephone number.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.1 Custom Calling Service (continued)

5.1.2 Feature Descriptions and Rates (continued)

CALL CONTROL

\$2.00

Available with Residence Basic Exchange Access Service and Residence ISDN service. Customer has the ability to screen outgoing call, then block or allow calls. This feature can be activated and deactivated and provides a PIN number to the subscriber. Customer can block long distance, Operator Assisted, specific telephone numbers, prefix and/or area codes, and/or all outgoing calls.

REMOTE CALL FORWARDING

First Second \$5.00

\$5.00

Remote Call Forwarding (CO Based), provides a method to automatically transfer all incoming calls to another dialed number at all times. The dialable number is user defined. The dialed number can be either 7 or 10 digit numbers (POTS) and can be changed via a service order. No physical telephone is required at the subscribed dialed number. Multiple simultaneous call paths can be provided, with each additional path priced at the rates above. (Business Service Ordering and Line Connection Charges apply.)

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SECTION 5 – SUPPLEMENTAL SERVICES

5.1 Custom Calling Service (continued)

5.1.2 Feature Descriptions and Rates (continued)

900 SPECIAL ACCESS CODE BLOCKING

N/C

Blocks access from a company provided Exchange Access Service to customer dialed 900 numbers.

976 PREFIX BLOCKING SERVICE

N/C

Blocks access from a company provided Exchange Access Service to customer dialed 976 numbers.

AUTOMATIC CALL BACK

Per Activation

\$1.00

Allows a customer to return most recent incoming calls whether answered or not. If the line to which the request is made is idle, the call goes through, if the line is busy, the automatic callback continues to attempt until the line is free. The request is deactivated after 30 minutes or six unanswered ring backs if the call is not completed.

REPEAT DIALING

Per Activation

\$1.00

Allows a Customer, by dialing a particular code, to redial a dialed number a specified number of times or until a party answers the call.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.2 Service and Promotional Trials

5.2.1 General

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges, to introduce a present or potential customer to a service not previously subscribed to by the customer.

5.2.2 Regulations

- A. Appropriate notification of the Trial will be made to all eligible customers and to the Commission. Appropriate notification may include direct mail, bill inserts, broadcast or print media, direct contact or other comparable means of notification.
- B. During a Service Trial, the service(s) is provided automatically to all eligible customers, except those customers who choose not to participate. Customers will be offered the opportunity to decline the trial service both in advance and during the trial. A customer can request that the designated service be removed at any time during the trial and not be billed a recurring charge for the period that the feature was in place. At the end of the trial, customers that do not contact the Company to indicate they wish to retain the service will be disconnected from the service at no charge.
- C. During a Promotional Trial, the service is provided to all eligible customers who ask to participate. Customers will be notified in advance of the opportunity to receive the service in the trial for free. A customer can request that the service be removed at any time during the trial and not be billed a recurring charge for the period that the service was in place. At the end of the trial, customers that do not contact the Company will be disconnected from the service.
- D. Customers can subscribe to any service listed as part of a Promotional Trial and not be billed the normal Connection Charge. The offering of this trial period option is limited in that a service may be tried only once per customer, per premises.
- E. The Company retains the right to limit the size and scope of a Promotional Trial.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.3 Operator Assistance Surcharges

5.3.1 General

Operator Assistance Surcharges apply when a customer utilizes either an automated or live Company operator for purposes of completing or billing a call. Operator Assistance Surcharges apply in addition to local usage or long distance usage services as identified in this tariff.

5.3.2 Operator Assistance Surcharges -- Rate Schedule

PERSON-TO-PERSON

\$5.00

Operator assists caller by beginning to bill the call only when a specifically identified party answers the phone.

BILLED TO A THIRD NUMBER

\$5.00

Operator assists the caller by billing the call to a verified number other than the station number from which the call is being made or by which the call is received.)

COLLECT CALLS

\$5.00

Operator assists the caller by verify charges with, and billing the call to, the party receiving the call.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.3 Operator Assistance Surcharges (continued)

5.3.2 Operator Assistance Surcharges -- Rate Schedule (continued)

CALLING CARD ASSISTANCE

Operator assists the caller by accepting and/or billing, and/or completing a call based upon information pertaining to a billable calling card.

Automated Assistance	\$5.00
(where available)	

Non-Automated Assistance \$10.00

SENT - PAID/OPERATOR ASSISTED \$5.00

Operator assistance provided to stations capable of accepting prepayment by terms of coin or noncalling card credit arrangements.

BUSY LINE VERIFICATION \$5,00

Operator assists caller by verifying the busy status of an exchange access line. Charged for each verification.

BUSY LINE VERIFY AND INTERRUPT \$5.00

Operator assists caller by first verifying the busy status of an exchange access line and then by interrupting the communications on the line to alert the communicating parties of the caller's need to reach the busy line.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.4 Directory Services

5.4.1 General

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

5.4.2 Directory Services -- Rate Schedule

ALPHABETICAL DIRECTORY LISTING

N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:

\$1.00

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SECTION 5 – SUPPLEMENTAL SERVICES

5.4 Directory Services (continued)

5.4.2 Directory Services -- Rate Schedule (continued)

PRIVATE LISTING

A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.

Per Month for each listing:

\$1.00

SEMI-PRIVATE LISTING

A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.

Per Month for each listing:

\$1.00

DIRECTORY ASSISTANCE CALL

D.A. Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.A. Call Service call.

Per Call

\$1.00

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SECTION 5 – SUPPLEMENTAL SERVICES

5.4 Directory Services (continued)

5.4.2 Directory Services -- Rate Schedule (continued)

INFORMATION CALL COMPLETION

Information Call Completion (ICC) is available as an add-on to the Company's D.A. Call Service. ICC allows the customer to connect directly to a number requested via the Company's D.A. Call service by means of operator dialing.

Per Call Completed

\$1.00

Mobile telephone service customers will only be eligible for ICC service if an alternate billing option is used, i.e., calling card, billed-to-third number, collect and person-to-person special handling. However, should a mobile carrier request the option, the Company will provide ICC to a mobile carrier on a sent-paid basis.

5.5 Direct Inward Dial (DID) Services

5.5.1 **General**

DID is a service which permits incoming dialed calls to be dialed directly by a calling party station associated with a switching system located on the Carrier's Customer Premises. These lines support inbound calling traffic only.

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SECTION 5 - SUPPLEMENTAL SERVICES

5.5 Direct Inward Dial (DID) Services (continued)

5.5.2 Direct Inward Dial Service -- Rate Schedule

	Monthly Recurring Charge	Non-Recurring Charge
DID Trunk Termination Charges		
Each DID trunk termination in central office, per trunk	\$50.00	\$50.00
Each DID trunk termination in Central Office arranged for Touch-Tone signaling.	\$50.00	\$50.00
Subsequent additions, deletions or rearrangements of DID trunk terminations in addition to above charges, per occasion.	\$50.00	\$50.00
DID Number Charges		
Each group of 10 assigned DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Each group of 10 Reserved DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Business		
DID Service from a Remote Central Office		
Mileage charges apply in addition to the rates specified preceding. Mileage charges are those specified for Foreign District Service as appropriate.		
Each new installation, addition, or rearrangement of trunks that provide DID service from a Remote Central Office, per occasion.	\$50.00	\$50.00

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SECTION 5 – SUPPLEMENTAL SERVICES

5.6 2-Way Direct Inward Dialing (DID) With Call Transfer

5.6.1 **General**

2-Way Direct Inward Dialing (DID) with Call Transfer is a service that permits incoming calls to reach customer provided equipment, without the assistance of an attendant, and allows the transfer of those calls to another line. Touch-Tone is a standard feature of this service.

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SECTION 5 – SUPPLEMENTAL SERVICES

5.7 Miscellaneous Services

TOLL RESTRICTION SERVICE

Monthly Rate

Toll Restriction Service will not allow inter-MSA 1+, 0+, 0-, 10XXX, or 700 calls to be completed.

- per line equipped

\$1.00

Toll billing exception that prevents third number billed and collect call is also a customer option.

INTERCEPT REFERRAL EXTENSION SERVICE

Provides notification to calling parties about changes in the status of the called party's telephone line. (An Add / Change Charge applies to add or change the length of months requested)

\$1.00

Non-Recurring Charge

TEMPORARY INTERCEPT

Enables a Customer to have incoming calls intercepted for 1 month. (Regular Exchange Access Service billing continues and an Add/Change charge applies)

> - per Central Office Line - per Port Intercepted

\$5.00

\$5.00

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SECTION 5 - SUPPLEMENTAL SERVICES

5.8 Customer Requested Service Suspensions

- 5.8.1 At the request of the customer the Company will suspend incoming and outgoing service on the customer's access line for a period of time not to exceed one year. The equipment is left in place and directory listings are continued during the suspension period without change. At the customer's request the Company will provide the customer with an intercept recording referring callers to another number.
- 5.8.2 The Company will assess a lower monthly rate for Customer Requested Service Suspension as noted below. However, any mileage charges, monthly cable charges or monthly construction charges are still due, without reduction during the period of suspension.

Period of Suspension

<u>Charge</u>

- First Month or Partial Month

Regular Monthly Rate (no reduction)

- Each Additional Month (up to the one year limit)

1/2 Regular Monthly Rate

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SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES

6.1 General

Business Network Switched Service provide a business customer with a connection to the Company's switching network which enables the customer to:

- A. receive calls from other stations on the public switched telephone network;
- B. access the Company's local calling service;
- access the Company's operators and business office for service related assistance;
 access toll-free telecommunications service such as 800 NPA; and access 911 service for emergency calling; and
- D. access the service of providers of interexchange service. A customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive 800 service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (10XXX).

Business Network Switched Service is provided via one or more channels terminated at the customer's premises. Each Business Network Switched Service channel corresponds to one or more analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time.

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SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES

6.2 **Service Descriptions and Rates**

The following Business Access Service Options are offered:

Basic Business Line Service PBX Trunks

All Business Network Switched Service may be connected to customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only. Optional Voice Mail Service is available.

6.2.1 Service Establishment Charge

This charge applies when the Company initially establishes the Customer's account for any service provided by the Company. This charge is applied in addition to any other monthly or installation charge that is associated with the service the Customer orders.

-Per Order		\$50.00
-Per Visit	(1 hour)	\$100.00
-After Hours	(1 hour)	\$200.00
Line Connection		\$100.00
Service Order		\$50.00

Custom Features are also available as described in this tariff.

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John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285 Chicago, IL 60606

SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.2 Basic Business Line Service

A. General

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface:

2-wire

Signaling Type:

Loop Start

Pulse Type:

Dual Tone Multi-Frequency (DTMF)

Directionality:

Two-way, In-Only, or Out-Only, as specified

by the customer.

B. Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge

\$10.00

Monthly Recurring Charges:

Business Single Line

(per line)

\$20.00

Business Multi-Line

(per line)

\$25.00

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SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service

A. General

Analog and/or digital PBX trunks are provided for connection of customer-provided PBX terminal equipment. Analog trunks are delivered on a DS0 level and digital trunks are delivered at the DS1 level. All trunks are equipped with multiline hunting.

DID service allows callers to reach the called party without going through a PBX attendant. DOD service allows end users to dial outside of a PBX system without going through the PBX attendant to get access to an outside line. Digital trunks cannot be two-way trunks, but must be ordered as with either Direct Inward Dialing (DID) or Direct Outward Dialing (DOD).

For DID configured PBX trunks additional charges apply for Direct Inward Dial Station numbers.

Each Analog Trunk has the following characteristics:

Terminal Interface:

2-wire or 4-wire, as required for the

provision of service

Signaling Type:

Loop, Ground, E&M I, II, III

Pulse Type:

Dual Tone Multi-Frequency (DTMF)

Directionality:

In-Coming Only (DID), Out-Going

Only (DOD), or Two-Way

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\$15.00

Local Exchange Services

SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

B. Flat Rate Analog PBX Trunks

1. General

Service to points within the local calling area is included in the charge for Flat Rate Analog PBX Trunk Service.

2. Rates

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge:	\$10.00
Monthly Recurring Charges:	\$30.00
Terminal Numbers:	
1-10 lines in terminal group	\$5.00
11-20 lines in terminal group	\$10.00

21 + lines in terminal group

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SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

C. Message Rate Analog PBX Trunks

1. Description

Message Rate Analog PBX Trunks provide the customer with a single, analog, voice grade telephonic communications channel that can be used to place or receive one call at a time. Local calls on two-way trunks and DOD trunks are billed on a message rate basis. DID trunks are arranged for one-way inward calling only.

2. Rates

Charges for each Message Rate PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

	Nonrecurring Connection Charge:	\$10.00
	Monthly Recurring Charges:	\$30.00
	Terminal Numbers:	
	1-10 lines in terminal group	\$5.00
	11-20 lines in terminal group	\$10.00
	21 + lines in terminal group	\$15.00
3.	Message Usage Charges	
	Per Message Charge	\$0.01

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SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

D. Analog DID Trunks

Nonrecurring Connection Charge	\$10.00
Monthly Recurring Charges (per trunk)	\$5.00
DID Station Numbers:	
- Each Group of 20	\$1.00
- Each Group of 100	\$12.00

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Local Exchange Services

SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

E. Digital PBX Trunk Service

1. Description

Digital PBX Trunk Service provide a customer with connection to the Company switch via a DS1 digital fiber optic transmission facility operating at 1.544 Mbps and time division multiplexed into 24 analog voice grade telephonic communications channels. Digital PBX Trunks are provided for connection of customer-provided PBX equipment or trunk capable key systems to the Company switch. Each Digital PBX Trunk has the following characteristics:

Terminal Interface:

Channel Bank or DSX-1 panel

Signaling Type:

Loop, Ground, E&M I, II, III

Start Dial Indicator:

Immediate Wink, Delay Dial, Dial

Tone

Pulse Type:

Dual Tone Multi-Frequency (DTMF)

Directionality:

In-Coming or Out-Going Only, as

specified by the customer

Service to points within the local calling area is included in the charge for Digital PBX Trunk Service.

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SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

- E. Digital PBX Trunk Service (continued)
 - 2. Recurring and Nonrecurring Charges

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff. Charges for each Message Rate Digital PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

Where appropriate facilities do not exist, Special Construction charges will also apply.

Nonrecurring Connection Charge: \$250.00

Monthly Recurring Charges:

Flat Rate:

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

Message Rate:

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

3. Message Usage Charges

Per Message Charge \$0.01

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Local Exchange Services

SECTION 7 - SPECIAL SERVICE ARRANGEMENTS

7.1 Individual Case Basis Arrangements

Arrangements will not be developed on a case-by-case basis. The Company's rates that are listed in this tariff will not be changed for any Customer for any reason.

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Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

INTEREXCHANGE SERVICES

ARIZONA	TEL ECO	MMINICA	TIONS T	ΔRIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of Arizona by PEERLESS NETWORK OF ARIZONA, LLC ("Company"). This tariff is on file with the Arizona Corporation Commission, and copies may also be inspected, during normal business hours, at the following location: 225 W. Washington Street, Ste 1285; Chicago, IL 60606.

Issued:

Effective:

Issued By:

John Barnicle, CEO

Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

CHECK SHEET

The title page and pages inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

SHEET	REVISION	SHEET	REVISION
1	Original	24	Original
2	Original	25	Original
3	Original	26	Original
4	Original	27	Original
5	Original	28	Original
6	Original	29	Original
7	Original	30	Original
8	Original	31	Original
9	Original	32	Original
10	Original	33	Original
11	Original	34	Original
12	Original	35	Original
13	Original	36	Original
14	Original	37	Original
15	Original	38	Original
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		

^{*} New or Revised Sheets

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CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

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TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

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2.

2.1.

2.1.1.

2.1.1.A.

2.1.1.A.1.

2.1.1.A.1.(a).

2.1.1.A.1.(a).l.

2.1.1.A.1.(a).l.(i).

2.1.1.A.1.(a).l.(i).
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Check Sheets - When a Tariff filing is made with the Commission, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designed by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of Arizona by PEERLESS NETWORK OF ARIZONA, LLC ("Company").

Issued:

Effective:

Issued By:

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Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

EXPLANATION OF SYMBOLS

- (D) To signify discontinued material
- (I) To signify a rate or charge increase
- (M) To signify material relocated without change in text or rate
- (N) To signify new material
- (R) To signify a reduction
- (T) To signify a change in text but no change in rate or regulation

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John Barnicle, CEO

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1. <u>TECHNICAL TERMS</u> AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

Application for Service

A standard Company order form that includes all pertinent billing, technical and other descriptive information that will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

<u>Authorized User</u>

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Bandwidth

The total frequency band, in hertz, allocated for a channel.

Bill Date

The date on which billing information is compiled and sent to the Customer.

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Call

A completed connection between the Calling and Called Stations.

Called Station

The telephone number called.

Calling Station

The telephone number from which a Call originates.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuitend or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to and interconnecting telephone company.

Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Commission

Arizona Corporation Commission

Company

PEERLESS NETWORK OF ARIZONA, LLC

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day. The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

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Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

<u>DCS</u>

DCS means Digital Cross-Connect System.

<u>Dedicated Access/Special Access</u>

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination or termination of Calls.

DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

DS-0 with DDS Access

DS-0 Service with VF Local Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

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Due Date

The Due Date is the date on which payment is due.

Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications Commission

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customerspecific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

Kbps

Kilobits per second.

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LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

Payment Method

The manner that the Customer designates as the means of billing charges for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

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Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

Primary Route

The route that in the absence of Customer-designated routing or temporary re-routing would be used by the Company in the provision of Service.

Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

Rate Center

A specified geographical location used for determining mileage measurements.

Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

Route Diversity

Two channels that are furnished partially or entirely over two physically separate routes.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

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Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings which the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations.

Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the Commission.

Transmission Speed

Data transmission speed or rate, in bits per seconds (bps).

Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000-hertz frequency band.

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Peerless Network of Arizona, LLC 225 W. Washington Street, Ste 1285

2. RULES AND REGULATIONS

2.1. <u>Description and Limitations of Services</u>

- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
 - 2.1.5.A. the Customer is using the Service in violation of this Tariff; or
 - 2.1.5.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.

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- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.
- 2.1.9. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.
- 2.1.10. Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.

2.2. Other Terms and Conditions

- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the Application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the Service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

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- 2.2.4. A Customer shall not use any service-mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.
- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.
- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

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2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.
- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.

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- 2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all times in full force and effect until modified in writing.
- 2.3.7. The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES. WHETHER EXPRESS, IMPLIED OR STATUTORY. INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER, NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY. THIRD PARTY PROVIDER OR OPERATOR OF FACILITIES EMPLOYED IN THE PROVISION OF THE SERVICE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER.

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- 2.3.8. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.

2.4. Cancellation of Service by a Customer

- 2.4.1. If a Customer cancels a Service Order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.

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2.5. Cancellation for Cause by the Company

- 2.5.1. Upon nonpayment of any sum owing to the Company, 30 days past the bill due date on a balance greater than \$20.00, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.
- 2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances, except under extreme cases where the Customer may be disconnected immediately and without notice:
 - 2.5.2.A. if the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications Services or its planned use of Service(s);
 - 2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s):
 - 2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);
 - 2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;
 - 2.5.2.E. in the event of unauthorized use.

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- 2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user/s/customer's last known address and in compliance with the Commission's rules.
- 2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.

2.6. Credit Allowance

- 2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service that is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.
- 2.6.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3. No credit shall be allowed:
 - 2.6.3.A. For failure of services or facilities of Customer; or
 - 2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.
- 2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.6.5. Credits are applicable only to that portion of Service interrupted.

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- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula

Credit Formula:

Credit =
$$A \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.7. Use of Service

- 2.7.1 The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:
 - 2.7.2.A. One joint user or Authorized User must be designated as the Customer.

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- 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User that has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling Company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- 2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.

2.8. Payment Arrangements

- 2.8.1. The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.
- 2.8.2. The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.
- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).

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- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within thirty days from the date the invoice is rendered or such invoice will be deemed to be correct and binding on the Customer. For recourse Customers may appeal to the Arizona Corporation Commission.
- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.

2.9. Assignment

2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.

2.10. <u>Tax and Fee Adjustments</u>

- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

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- 2.10.3. If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.
- 2.10.5. When any municipality, or other political subdivision, local agency of government, or department of public utilities imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee or regulatory fee, such taxes and fees shall, insofar as practicable, be billed pro rata to the Company's Customers receiving service within the territorial limits of such municipality, other political subdivision, local agency of government, or public utility commission.
- 2.10.6. The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amount it is required by governmental or quasi-government authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Primary Interexchange Carrier Charge, and compensation to payphone service providers for use of their payphones to access the Company's services.

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2.11. Method for Calculation of Airline Mileage

2.11.1. The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:

the square root of: $\frac{(5004-5987)^2 + (1406-3424)^2}{10}$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

2.12. Time of Day Rate Periods

2.12.1. Time of Day Rate Periods are determined by the time of day at the location of the Calling Station.

The rates shown in Section 4 apply as follows:

DAY: From 8:00 AM to 4:59 PM Monday - Friday

EVENING: From 5:00 PM to 10:59 PM Monday - Friday and Sunday

NIGHT/

WEEKEND: From 11:00 PM to 7:59 AM Everyday

From 8:00 AM to 10:59 PM Saturday From 8:00 AM to 4:59 PM Sunday

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2.13. Special Customer Arrangements

2.13.1. In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, Installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

2.14. Inspection

2.14.1. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the Installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time; without penalty to the Company, should Customer violate any provision herein.

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3. <u>INTRALATA TOLL USAGE AND MILEAGE CHARGES</u>

3.1 General

3.1.1 Description

IntraLATA toll service is furnished for communication between telephones in different local calling areas within a particular LATA in accordance with the regulations and schedules of charges specified in this tariff. The toll service charges specified in this section are in payment for all service furnished between the calling and called telephone, except as otherwise provided in this Tariff.

IntraLATA toll calling includes the following types of calls: direct dialed, calling card, collect, 3rd number billed, special toll billing, requests to notify of time and charges, person to person calling and other station to station calls.

3.1.2 Classes of Calls

Service is offered as two classes: station-to-station calling and person-to-person calling.

- A. Station to Station Service is that service where the person originating the call dials the telephone number desired or gives the Company operator the telephone number of the desired telephone station or system.
- B. Person to Person Service is that service where the person originating the call specifies to the Company operator a particular person to be reached, a particular mobile unit to be reached, or a particular station, department or office to be reached. The call remains a person to person call when, after the telephone, mobile telephone, or PBX system has been reached and while the connection remains established, the person originating the call requests or agrees to talk to any person other than the person specified, or to any other agreed upon alternate.

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3.2 <u>Timing of Calls</u>

- 3.2.1 Long distance usage charges are based on the actual usage of the Company network. Chargeable time begins when a connection is established between the Calling Station and the Called Station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.
- 3.2.2 Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is sixty (60) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in sixty (60) second increments and rounded to the next higher sixty (60) second period.

3.3 <u>Minimum Call Completion Rate</u>

A Customer can expect a call completion rate of not less than 97% during peak use periods for all Feature Group D services.

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3.4 <u>Usage Rates</u>

- 3.4.1. The following are the per minute usage charges which apply to all calls. These charges are in addition to the Non-recurring Charges and Recurring Charges referred to herein.
- 3.4.2. Reserved for future use.

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3.4.3 Switched Services

A. Switched Inbound Usage Charges

The Company's Switched Service is offered to business customers for both inbound and outbound, intraLATA, and interLATA, calling over standard switched lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. Switched Outbound Usage Charges

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

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3.4.4 <u>Dedicated Services</u>

The Company's Dedicated Service is offered to business and residential customers for both inbound and outbound, intraLATA and interLATA, calling over dedicated access lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

A. <u>Dedicated Inbound Usage Rates</u>

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. <u>Dedicated Outbound Usage Rates</u>

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

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3.4.5 Recurring Charges

Customers will incur the following monthly Recurring Charges:

	SWITCHED ACCESS	DEDICATED ACCESS
Per 800 Number	\$1.00	\$1.00
Accounting Codes (non-verified)	\$1.00	\$1.00
Authorization Codes/BTN (verified)	\$1.00	\$1.00
Authorization Code change/add/delete	\$1.00	\$1.00
Monthly Recurring Charge Per T-1	N/A	\$200.00

3.4.6 Non-Recurring Charges

Customers will incur the following Non-recurring Charges:

	SWITCHED	DEDICATED
	ACCESS	ACCESS
Per 800/888 Number	\$5.00	\$5.00
Accounting Codes (non-verified)	\$5.00	\$5.00
Authorization Codes/BTN (verified)	\$5.00	\$5.00
Authorization Code change/add/delete	\$5.00	\$5.00
Set and Installation Charge	\$50.00	\$50.00

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3.4.7 <u>Directory Assistance</u>

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing "1" plus the area code of the desired number, and 555-1212. The customer may request up to two numbers per call to Directory Assistance.

Directory Assistance, per call:

\$0.75

3.4.8 Long Distance Operator Assistance Service

\$2.50

3.4.9 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to an 800 number or using a travel card and dialing the carrier prefix in the form 101XXXX. Although collected on the customer's bill, this charge is reimbursed to pay telephone service provider.

Per Call

\$0.50

3.4.10 Non-Sufficient Funds Checks

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds.

3.4.11 Late Payment Charge

Customers will be charged 1.5% of any amounts owed to the Company beyond the due date for such payment.

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3.5 Special Promotional Offering

The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage when approved by Commission. The Company will give the Commission seven (7) days' notice of any special promotional offerings detailing the promotion and provide the beginning and ending dates. The Company will not have special promotional offerings for more than 90 days in any 12-month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof.

3.6 Emergency Calls

Customer shall configure its PBX or other switch vehicle from which a customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

3.7 Payphone Use Service Charge

A Payphone Use Service Charge applies to each completed interLATA and intraLATA non-sent paid message made over a pay phone owned by a utility or Customer Owned Pay Telephone (COPT) Service. This includes calling card service, collect calls, calls billed to a third number, completed calls to Directory Assistance and Prepaid Card Service calls. This charge is collected on behalf of the pay phone owner. All Customers will pay the Company a per call service charge of \$0.50.

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3.8. <u>Universal Connectivity Charge</u>

- 3.8.1. Services provided pursuant to this tariff are subject to an undiscountable monthly Universal Connectivity Charge. This monthly service charge is equal to a percent of the Customer's total net intrastate, interstate and international charges, after application of all applicable discounts and credits, equal to the current FCC Contribution Factor.
 - A. The Company will waive the Universal Connectivity Charge with respect to specifically identified Company charges to the extent that the Customer demonstrates to the Company's reasonable satisfaction that:
 - the Customer has filed a Universal Service Worksheet with the Universal Service Administrator covering the twelfth month prior to the month for which the Customer seeks the waiver;
 - 2. the charges with respect to which the waiver is sought are for services purchased by Customer for resale; and
 - the Customer will file a Universal Service Worksheet with the Universal Service Administrator in which the reported billed revenues will include all billed revenues associated with the Customer's resale of services purchased from the Company.
 - B. The Universal Connectivity Charge will not be waived with respect to:
 - 1. charges for services purchased by the Customer for its own use as an end user; or
 - 2. charges for which the bill date is on, prior to, or within fifteen days after, the date on which the Customer applies for a waiver with respect to those charges.

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